

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket Nos. D.T.E. 02-24/25
Responses to the Division of Energy Resources First Set of Information Requests

Request No. DOER 1-15 (Gas):

With reference to Exh. FGE-KMA-1 (Gas), page 366, the testimony states, "The increase in the customer charge is slightly less than the overall revenue requirement increase for these [small general service customers] classes taken together." Taking this conclusion as correct and accurate, please explain, on a relative basis, whether this level tends to move either the Company's Customer Charges or the Volumetric Rates closer to the appropriate costs from these small general service classes.

Response:

The level of the increase in the customer charge moves the customer charges closer to the Preliminary Rate Design and Marginal Cost. Since the customer charge is not moved all the way to the Preliminary rate, the difference in the revenue is reconciled in the volumetric charge. As a result, the volumetric charges move further away from the appropriate (marginal) costs.

Person Responsible: Karen M. Asbury